decided by the Government of Uttaranchal to make recommendations in respect of sharing of power between Uttar Pradesh and Uttaranchal and its pricing and other related issues, within three months. Till the Committee's recommendations are received and agreed upon, the *status quo* is to be maintained in respect of power sharing and pricing between the two States.

(b) The average rate of power supplied by NTPC from its power stations in various regions during 2000-2001 was Rs. 157.20 per KWH.

(c) Government of Uttaranchal has referred the matter of division of assets and liabilities of Power Corporation to the Government of India. The Government of India has already held one round of discussions with two States.

Controversy regarding Enron Project

1153. SHRI BHAGATRAM MANHAR:
SHRI RAJU PARMAR:

Will the Minister of POWER be pleased to state:

(a) whether the attention of the Government has been drawn to news-item titled "DNA tests show UF Government a parent of Enron Guarantee" appearing in the Economic Times, New Delhi of 15th June, 2001;

(b) if so, the reaction of Government thereto;

(c) the details of point on which there is controversy in Enron project; and

(d) the steps Government is contemplating to resolve the controversy?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA): (a) Yes, Sir.

(b) Government of India (GOI) has issued counter guarantee to Phase-I of the Dabhol Power Project on 15th September, 1994. The Dabhol Power Project was re-negotiated by the Government of Maharashtra (GOM) during 1995-96. The terms and conditions of the counter guarantee require that any amendment to the Power Purchase Agreement (PPA) would require the prior written consent

of GOI. Since the re-negotiated features of the project called for an amendment to the PPA, the Government of Maharashtra referred the amendments to the PPA for the consent of the GOI in terms of the GOI counter guarantee. Accordingly, amendment to the PPA was approved by the Government of India on 27.5.1996 without any changes in terms and conditions of the GOI counter guarantee. Due to change in Government at the Centre, the proposal was again considered by the new Government on 9.7.1996, which approved extension of GOI counter guarantee to the re-negotiated project without any changes in terms and conditions of the GOI counter guarantee.

(c) and (d) In the past few months, there have been disputes between the Dabhol Power Company (DPC) on the one hand and the Maharashtra State Electricity Board (MSEB)/GOM on the other in regard to obligations of respective parties arising out of the PPA and the guarantee issued by the GOM to cover the payment obligations to DPC by MSEB. DPC have issued arbitration notices to GOM and MSEB as well as two pre-termination notices to MSEB. MSEB have written to DPC on 23.5.2001 rescinding the PPA due to alleged misrepresentations by DPC in respect of capacity and capability of the Dabhol Power Station. Conciliation proceedings between the Government of India (GOI) and DPC in regard to obligations under the counter guarantee issued to the project by GOI, have also been initiated by DPC. Meanwhile, a Negotiating Committee has also been set up by the Government of Maharashtra to carry out discussions with DPC with a view to reducing the tariff as well as sale of power of the Dabhol Power Project. The GOI has appointed its nominee on the Negotiating Committee and is committed to help facilitate an amicable solution to the problems.

Decline to grant permission for ESCROW cover by Karnataka Government

†1154. SHRI BRATIN SENGUPTA: Will the Minister of POWER be pleased to state:

(a) whether the Government of Karnataka have declined to grant permission for 'ESCROW cover' to Mangalore Power Company for the setting up of 1000 MW thermal power project along the Western Coast;

(b) if so, the details thereof;

(c) whether the Industrial Credit and Investment Corporation of India (ICICI) and I.F.C. have declined to release funds for the said project without providing 'ESCROW cover' to it; and

(d) if so, the details thereof?

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†Original notice of the question was received in Hindi.